

10 July 1963

**MEMORANDUM FOR: The Honorable Robert S. McNamara
The Secretary of Defense**

In a meeting yesterday with the Director of the Budget and a number of his staff, I was questioned concerning the extent to which I, in my role of Director of Central Intelligence (as contrasted with Director of Central Intelligence Agency) am involved in the planning, preparation and review for the programs, budgets, personnel requirements, etc., of the units of the intelligence community. A similar inquiry was made by Chairman Cannon and his special Subcommittee, and he wound up by stating he would write me asking that I arrange to make such reviews and report back to the Committee. However, no such letter has been received to date.

I took the position that you and I and [] work very closely on these matters and that my directive from the President was "to maintain with the Heads of departments and agencies a continuing review of the programs and activities of all U. S. agencies to assure efficiency and effectiveness and to avoid undesirable duplication."

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However, I took the position that any attempt to make a penetrating review of budgets in depth would be non-productive and perhaps confusing to the orderly budget processes you have developed.

Of course, in these discussions, I outlined the closeness of our relationship, the steps that had been taken to accomplish the President's directive in such important areas as NRO, NPIC, NSA, publication of Bulletins, espionage and counter-espionage activities, etc. Also I reviewed the extensive actions of USIB in establishing priorities for intelligence objectives and exercising other forms of control over the community which, I believe, USIB is doing more effectively than heretofore.

It was pointed out that the President's Foreign Intelligence Advisory Board has set up a subcommittee under Frank Pace to review the entire question of budgetary processes and controls within the intelligence community. I expect Frank will be working on this in the next two months in order to prepare a report for the Board's next meeting on September 15th.

It might be useful for us to discuss some of the unanswered questions that arose in discussion with the BoB. I therefore suggest at our meeting tomorrow afternoon we discuss, among other things, the following:

1. Specifically what should be considered as part of foreign intelligence activities for purposes of budgeting or DCI or USIB cognisance. Quite naturally this includes the recognized roles and activities of CIA, DIA, Army, Navy, Air Force, and State intelligence departments and, to a lesser extent, the AEC. The question arises, however, as to what part of the reconnaissance units of the Air Force and the Navy, which exist for wartime missions but nevertheless continually perform various peripheral ELINT/COMINT and certain photographic activities under the direction of the JCS, should rightfully be included as part of our intelligence activities, and so budgeted.

2. The procedure for reviewing programs of the components of the intelligence community, the personnel requirements, the materiel needs and the respective budgets: This should be done in sufficient detail to give a general review and to meet the Presidential directive of maintaining continuing review of programs and activities of all U.S. intelligence agencies with a view of assuring efficiency and effectiveness and to avoid undesirable duplication.

3. Develop plans to insure the maximum utilization of existing facilities within the community and thus avoid duplication to every possible extent. Satisfactory arrangements are developing in such matters as NPIC, NRC and COMINT. A great deal remains to be done in coordination of ELINT collection and analysis. Also the detection and analysis of Soviet missile and space activities must be brought under control and a plan for this has been worked out by Dr. Wheeler of CIA.

JOHN A. McCONE
Director

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